

*PEI Aquaculture  
and Fisheries  
Research Initiative Inc.*  
*Annual Report*  
*2008/2009*



Fisheries, Aquaculture  
and Rural Development

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**Annual Report 2008/2009**

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## **Message from the Minister**

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To the Honourable Barbara A. Hagerman  
Lieutenant Governor of Prince Edward Island  
P.O. Box 846  
Charlottetown, PE C1A 7L9



May It Please Your Honour:

I have the honour to submit herein the annual report of the  
Prince Edward Island Aquaculture and Fisheries Research Initiative  
for the period April 1, 2008 to March 31, 2009.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Neil J. LeClair".

**Neil J. LeClair, Minister**  
Fisheries, Aquaculture and Rural Development



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## **Board of Directors**

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Richard Gallant ..... Chairperson

Jim Bellamy ..... Member

Jerry Bidgood ..... Member

Gerard Cheverie ..... Member

Bill Drost ..... Member

Bob Fortune ..... Member

Shaun MacLeod ..... Member

Crystal McDonald ..... Member

Jeff White ..... Member

Kelly Cantelo ..... Program Officer and Recording Secretary



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## **Board of Director's Report**

The Board of Directors is pleased to submit the annual report highlighting the activities of the *Prince Edward Island Aquaculture and Fisheries Research Initiative* for the 2008-2009 fiscal year.

The corporation was established to encourage short-term applied or developmental aquaculture and fisheries research in partnership with individuals, businesses and organizations.

The corporation is managed by a board of directors representing government, research agencies and industry. The board held four meetings and the Annual Shareholder's meeting.

The following is a summary of project activities for the 2008-2009 fiscal year:

### ***Approved Projects:***

- **Discovery of Bio-products from Tunicates: Identification of Anti-inflammatory, Wound Healing, Anti-obesity, Anti-diabetes, and/or Anti-hyperlipidemia Properties**  
Applicant: PEI Seafood Processors Association  
Term of Project: One year  
Project Cost: \$141,945  
AFRI Contribution: \$49,560
- **Investigation of Low Impact and Natural Treatment for Mitigating the Impact of Tunicate Infestation on Mussel Aquaculture Farms**  
Applicant: PEI Aquaculture Alliance  
Term of Project: One year  
Project Cost: \$95,461  
AFRI Contribution: \$58,737
- **The Impact of Green Crab on Bedeque Bay and North River Oyster Beds: Population Size and Risk Assessment**  
Applicant: PEI Shellfish Association  
Term of Project: Two years  
Project Cost: \$74,500  
AFRI Contribution: \$59,600



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## **Ongoing Projects:**

- **Innovative Scallop Gear Culture Development Project**  
Applicant: Northumberland Strait Diversification Sea Scallop Research Group  
Term of Project: Three years  
Project cost: \$110,000  
AFRI contribution: \$56,000
- **Identification and Characterization of Bio-Active Compounds in PEI Mussels and Oysters**  
Applicant: PEI Seafood Processors Association  
Term of Project: Two years  
Project Cost: \$229,557  
AFRI Contribution: \$60,000
- **Development of Mitigation Strategies for the Management of Invasive Tunicate Species in PEI**  
Applicant: PEI Aquaculture Alliance  
Term of Project: Four years  
Project Cost: \$3.6 million  
AFRI Contribution: \$180,000
- **Evaluation and Determination of Possible Environmental and Physiological Parameters Associated with Decreasing Physiological Condition of Oysters in Bedeque Bay, PEI**  
Applicant: PEI Shellfish Association  
Term of Project: One year  
Project Cost: \$80,500  
AFRI Contribution: \$60,000



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## **Closed Projects:**

- **Cliona Research Project**  
Applicant: Island Prince Aqua Farms  
Project Cost: \$211,420  
AFRI Contribution: \$17,343
- **Investigation into the Management of the Invasive Species; the Oyster Drill, the Violet Tunicate, the Clubbed Tunicate and the Vase Tunicate on Oyster Aquaculture Farms**  
Applicant: PEI Aquaculture Alliance and Department of Fisheries, Aquaculture and Rural Development  
Project Cost: \$53,648  
AFRI Contribution: \$42,918
- **Assessment of a Prototype Electronic Tag Designed to Measure Fish Survival**  
Applicant: North Lake Harbour Authority  
Project Cost: \$41,284  
AFRI Contribution: \$33,027



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## Auditor General's Report

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**AUDITOR GENERAL**

CHARLOTTETOWN  
PRINCE EDWARD ISLAND

**PEI AQUACULTURE AND FISHERIES**

**RESEARCH INITIATIVE INC.**

**FINANCIAL STATEMENTS**

**MARCH 31, 2009**

## AUDITOR GENERAL

CHARLOTTETOWN  
PRINCE EDWARD ISLAND

### AUDITOR'S REPORT

To the Board of Directors of the  
PEI Aquaculture and Fisheries Research Initiative Inc.

I have audited the balance sheet of the PEI Aquaculture and Fisheries Research Initiative inc. as at March 31, 2009 and the statements of revenues, expenditures and surplus, and cash flows for the year then ended. These financial statements are the responsibility of the corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the corporation as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Colin Younker, CA  
Auditor General

Charlottetown, Prince Edward Island  
June 30, 2009

STATEMENT 1

PEI AQUACULTURE AND FISHERIES RESEARCH INITIATIVE INC.

BALANCE SHEET

AS AT MARCH 31, 2009

|   | <u>2009</u>      | <u>2008</u>      |
|---|------------------|------------------|
| <b>ASSETS</b>                             |                  |                  |
| Cash                                      | \$ 18,761        | \$ 33,187        |
| Short term investments                    | 566,080          | 569,025          |
| Accounts receivable - Province of PEI     | -                | <u>150,000</u>   |
|   | <u>\$584,841</u> | <u>\$752,212</u> |
| <b>LIABILITY AND SHAREHOLDER'S EQUITY</b> |                  |                  |
| Accrued liability                         | <u>\$112,981</u> | <u>\$ 45,132</u> |
| Shareholder's equity                      |                  |                  |
| Share capital - Note 4                    | 100              | 100              |
| Surplus - Statement 2                     | <u>471,760</u>   | <u>706,980</u>   |
|   | <u>471,860</u>   | <u>707,080</u>   |
|   | <u>\$584,841</u> | <u>\$752,212</u> |

(The accompanying notes are an integral part of these financial statements.)

SIGNED ON BEHALF OF THE BOARD:

DIRECTOR: Jeff Reid

DIRECTOR: Richard Bellot

**STATEMENT 2**

**PEI AQUACULTURE AND FISHERIES RESEARCH INITIATIVE INC.**

**STATEMENT OF REVENUES, EXPENDITURES AND SURPLUS**

**FOR THE YEAR ENDED MARCH 31, 2009**

|                                     | <b><u>2009</u></b>      | <b><u>2008</u></b>      |
|-------------------------------------|-------------------------|-------------------------|
| <b>Revenues</b>                     |                         |                         |
| Provincial grant                    | \$ -                    | <b>\$150,000</b>        |
| Interest revenue                    | <u>24,733</u>           | <u>28,689</u>           |
|                                     | <u>24,733</u>           | <u>178,689</u>          |
| <b>Expenditures</b>                 |                         |                         |
| Administration                      | 6,287                   | 6,262                   |
| Research projects                   | <u>253,666</u>          | <u>164,028</u>          |
|                                     | <u>259,953</u>          | <u>170,290</u>          |
| <b>Net (loss) gain for the year</b> | <b>(235,220)</b>        | <b>8,399</b>            |
| <b>Surplus, beginning of year</b>   | <u>706,980</u>          | <u>698,581</u>          |
| <b>Surplus, end of year</b>         | <b><u>\$471,760</u></b> | <b><u>\$706,980</u></b> |

**(The accompanying notes are an integral part of these financial statements.)**

**STATEMENT 3**

**PEI AQUACULTURE AND FISHERIES RESEARCH INITIATIVE INC.**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED MARCH 31, 2009**

|   | <u>2009</u>      | <u>2008</u>      |
|---|------------------|------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b> |                  |                  |
| Receipts from Province                      | \$150,000        | \$100,000        |
| Payments to/from investment account - net   | 26,503           | (95,078)         |
| Payments to projects                        | (185,816)        | (157,498)        |
| Payments for administration costs           | (6,287)          | (6,262)          |
| Interest received on bank balance           | <u>1,174</u>     | <u>4,189</u>     |
| <b>NET DECREASE IN CASH</b>                 | <b>(14,426)</b>  | <b>(154,649)</b> |
| <b>CASH</b>                                 |                  |                  |
| Balance, beginning of year                  | 33,187           | 187,836          |
| Balance, end of year                        | <u>\$ 18,761</u> | <u>\$ 33,187</u> |

**(The accompanying notes are an integral part of these financial statements.)**

## **PEI AQUACULTURE AND FISHERIES RESEARCH INITIATIVE INC.**

### **NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2009**

#### **1. Operations**

**The PEI Aquaculture and Fisheries Research Initiative Inc. was incorporated on March 27, 1996 under Part 1 of the Companies Act. The main objective of the corporation is to provide funds for aquaculture, commercial fisheries and processing research in the Province.**

#### **2. Summary of Significant Accounting Policies**

**The financial statements of the corporation have been prepared in accordance with Canadian generally accepted accounting principles. The following is a summary of significant accounting policies used in the preparation of these financial statements.**

##### **Income and Expenses**

**Revenues and expenses are recorded using the accrual basis of accounting.**

##### **Use of Estimates**

**The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.**

##### **Provincial Administrative Expenses**

**Costs incurred by the Department of Fisheries, Aquaculture and Rural Development on behalf of the PEI Aquaculture and Fisheries Research Initiative Inc. in administering this fund are not reflected in these financial statements. These costs include salary and related employee benefits, office accommodations, directors' honoraria and miscellaneous administrative expenses.**

##### **Financial Instruments**

**Financial instruments are comprised of cash, short term investments, accounts receivable, and accrued liabilities. Due to their short-term nature, all the financial instruments are considered to be carried at amounts which approximate their fair value.**

##### **Financial Risk Management Objectives and Policies**

**The corporation's risk management policies are part of the overall management of the entity's operations. Management's direct involvement in day-to-day operations identifies risks and variations from expectations leading to changes in risk management activities, requirements and actions. Management has not entered into hedging transactions to manage risk. As part of the overall management of the entity's operations, management considers avoidance of undue concentrations of risk, and employs appropriate investment and credit management policies to manage the corporation's exposure.**

**PEI AQUACULTURE AND FISHERIES RESEARCH INITIATIVE INC.**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**MARCH 31, 2009**

**3. Commitments**

In addition to the accrued liability, the corporation has approved three research projects providing the following future commitments:

|         |          |
|---------|----------|
| 2009-10 | \$83,080 |
| 2010-11 | 47,920   |

**4. Share Capital**

The corporation has authorized 5,000 common shares with a \$1 par value. As at March 31, 2009, there were 100 common shares issued and outstanding. The Government of Prince Edward Island, as represented by the Minister of Fisheries, Aquaculture and Rural Development, is the sole shareholder.



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